

## Performance-Based Acquisition

Begin with the end in sight!

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### Performance Based Acquisition

- What, Who, When, Why, How
- Sample of PBSA using Seven Steps Framework
- Current Initiatives

#### **Current PBSA Initiatives**

- FAR Case 2003-018 issued to implement some of the Recommendations in the OFPP July 2003 PBSA Report
- FAR Case 2004-004 SARA PBC change (SARA signed 11-24-03).
  - Section 1431 and Section 1433
    - treat certain performance-based orders and contracts as commercial items if certain conditions are met; and
    - report on these contracts and orders in FPDS.
- OFPP Issued a September 7, 2004 memo highlighting changes goals, reporting requirement, incentives, etc. <a href="https://www.acqnet.gov">www.acqnet.gov</a>.
- DAU and FAI Government-wide PBSA Training Course.

#### What is PBC?

 A contract or order structured around the solutions or results desired. FAR

2.101



## Who's involved in the PBC Process?

- ➤ The Acquisition Team FAR 1.102-3
- ✓ Program Office
  - Technical community
  - · Business and financial
  - User Community
- ✓ Contracting
- ✓ Industry
- ✓ Legal
- ✓ Quality Assurance



## When to use PBC? (FAR 37.102)

 PBC is used to the maximum extent practicable when acquiring services.

- Use the following order of precedence-
  - FFP PBC or task order
  - A PBC or task order that is not FFP
  - A contract or task order that is not PB.

## What are the Elements (FAR 37.601)?

- (1) PWS or SOO.
- (2) MPS
- (3) QASP (FAR 46.013 and 46.401(a))
- (4) PI (FAR 46.407)

TIP: Try the SOO approach.



# Using Seven Steps to PBSA Framework for Training Services



Establish an Integrated Solutions Team – team included CS, PM, Legal.



Describe the Problem that Needs Solving – Commercial PBSA Course for GSA employees



Conduct Market Research – talk to industry, talk to other agencies.



## **Developing PWS or SOO**

- SOO approach chosen for training requirement.
- Process
  - Write Outcomes (Statement of Objectives)
  - Offerors propose SOW and Performance Measures and Standards
  - Replaces Performance Work Statement
- Where Knowledge Exists
  - Government Problem and Constraints
  - Industry Solutions
- Simplified Definition
  - Structuring All Aspects of Acquisition Around Outcomes and Results!



#### PERFORMANCE MATRIX FOR GSA-wide PBSA Training Course

Outcomes	Required Services	Performance Standards	Monitoring Methods	+ or - Incentives
Provide PBSA Training to the GSA Acquisition Community	1. Provide commercial PBSA course. 2. Test the students to ensure students know how to implement PBSA techniques. 3. Maintain and update course material in accordance with regulations.	<ol> <li>Personnel must be know PBSA topic and contracting.</li> <li>Students should receive at least 80% on test.</li> <li>Course should be current with the regulations.</li> </ol>	GSA PM to monitor courses periodically and review evaluations.     Review test scores.     PM periodically evaluate course material.	1. Past performance evaluation 2. Past performance evaluation 3. Past performance evaluation



### Sample SOO Format

- 1. Purpose.
- 2. Scope.
- 3. Period of Performance.
- 4. Place of Performance.
- 5. Background.
- 6. Program Objectives.
- 7. Constraints.



# Decide how to measure and manage performance

- Review the success determinants
- Involve industry Rely on commercial quality standards
- Have the contractor propose the metric/quality assurance plan
- Select meaningful measures
- Define your metrics measure the contractor's performance.
- Standards must be measurable, easy to apply and attainable.

(FAR Part 16 and 46)



### Select the right contractor

- -Compete the solution
- Use down-selection/due diligence
- Use oral presentations
- Emphasize past performance
- -Use best value evaluation/source selection (FAR Part 15, 16, 42.15)



### **Manage Performance**

(FAR Part 42)

Contract Award is The Start; Not The End Milestone

Use the QASP to manage contractor's performance to ensure the project is on schedule and meeting the outcome.

Mission Success Is What is Being Acquired!

- Keep the team together, if possible.
- Communicate early and often.
- Make sure the COR/COTR is monitoring the contractor's performance.

Improved Performance – Reduced Cost

- Conduct performance assessments as planned document all findings
- Conduct past performance evaluations.
- Shared Goals and Objectives Achieved!



#### **PBA Benefits**

- Improved customer satisfaction.
- Competition Increased.
- Innovative solutions and quality services.
- No detailed specifications.
- Better value and enhanced performance.
- Less day-to-day surveillance.
- Shifts risk to the contractor.
- Communication improved.
- Results achieved!



#### **PBA Sources**

- 1. GSA PBC Website:
  - -www.gsa.gov/performancebasedcontracting
- 2. Seven Steps to PBSA website:

www.acqnet.gov

-go to the Library to see vetted samples